

Message Text

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PAGE 01 GEORGE 00046 072000Z
ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01
USIA-06 PRS-01 SP-02 AID-05 COME-00 EB-07 FRB-03
TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01
STR-04 AGRE-00 /059 W
-----072113Z 107247 /64

R 071940Z JAN 77
FM AMEMBASSY GEORGETOWN
TO SECSTATE WASHDC 3988
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY CARACAS
AMEMBASSY KINGSTON
AMEMBASSY PARAMARIBO
AMEMBASSY PORT OF SPAIN

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E.O. 11652: N/A
TAGS: ECON, GY, SOCI
SUBJECT: GOG PLANS INCREASED CONTROL OF LICENSES AND IMPORTS

1. DURING DEBATE ON 1977 BUDGET, MINISTER OF TRADE AND CONSUMER PROTECTION GEORGE KING WARNED THAT SHOPKEEPERS WHO REFUSE TO DEAL IN CERTAIN BASIC FOOD ITEMS FACE CONCELLATION OF THEIR COMMERCIAL LICENSES. REPLYING TO PEOPLE'S PROGRESSIVE PARTY (PPP) ALLEGATIONS OF SHORTAGES OF ESSENTIAL FOODSTUFFS IN COUNTRY AREAS, KING MAINTAINED THAT DURING 1976 INCREASED AMOUNTS OF ITEMS SUCH AS SUGAR AND FLOUR HAD BEEN DISTRIBUTED TO GOVERNMENT MARKETING OUTLETS. HE EMPHASIZED THAT DISTRIBUTION OF ESSENTIAL COMMODITIES HAD BEEN HAMPERED BY CAPITALIST CLASS WHO REFUSED TO DEAL WITH CERTAIN ITEMS BECAUSE THEY COULD NOT MAKE SUFFICIENT PROFIT.

2. KING ALSO STATED THAT GOVERNMENT PLANS TO
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PAGE 02 GEORGE 00046 072000Z

INCREASE CONTROL OF FOREIGN TRADE. BASIC NECESSITIES WILL BE IMPORTED, BUT QUANTITIES OF IMPORTS WILL BE KEPT TO BAREST MINIMUM. KING INDICATED THIS DRASTIC REDUCTION IN THE NUMBER AND TYPE OF CONSUMER DURABLES THAT WILL BE PERMITTED FOR IMPORTATION IS PART OF THE GOG AUSTERITY PROGRAM TO STOP DRAIN ON FOREIGN

RESERVES.

3. COMMENT: KING'S ANNOUNCEMENT CONCERNING CONTROL OF IMPORTS AND COMMERCIAL LICENSES INDICATES THAT GOG IS PLACING INCREASED PRESSURE ON ALREADY BURDENED AND POLITICALLY VULNERABLE SMALL BUSINESSMEN. THE GOVERNMENT HAS ALREADY RESTRICTED QUANTITIES OF PRODUCTS IT ALLOWS ENTREPRENEURS TO IMPORT AND STRICTLY CONTROLS IMPORTATION OF MANY ITEMS THROUGH GUYANA NATIONAL TRADING CORPORATION (GNTC). WE BELIEVE GOG ALSO IS UTILIZING THESE STRICT IMPORT CONTROLS TO PLUG LOOPHOLE CREATED BY MANY BUSINESSMEN WHO IN PAST ATTEMPTED TO GET ASSETS OUT OF GUYANA BY PAYING SLIGHTLY INFLATED PRICES FOR IMPORTS AND THEN HAVING FRIENDLY PERSONS ABROAD DEPOSIT DEFERENCE IN FOREIGN BANKS. IN ANY CASE, IT IS ANOTHER CASE OF BELT TIGHTENING BY GOG AS ECONOMIC FACTS OF LIFE BECOME MORE APPARENT. MCCOY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMODITIES, IMPORTS, FOREIGN TRADE, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition Reason:
Disposition Remarks:
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Litigation History:
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